

7304 Financial Management

Objectives

The purpose of this course is to acquaint the students with the broad framework of financial decision making in a business unit.

Course Contents

1. Aims and Objectives of Financial Management; Time value of Money : Instruments of Long Term Finance. Cost of Different Sources of Raising Capital, Weighted Average Cost of Capital.
2. Operating and Financial Leverage. Valuation and Capital Structure Decisions : Capital Structure Theories, Optimum Capital Structure, Economics Value Added.
3. Capital Budgeting, Methods of Capital Budgeting, Analysis of Risk in Capital Budgeting,
4. Internal Financing and Dividend Policy. Financial Modelling. Use of Excel for Financial Decision Making.
5. Working Capital Concept Nature and scope. Determinants of Working Capital instruments of Short-term Financing - Management of Working Capital Cash. Receivable and Inventory Management.

Suggested Readings

1. Archer, Stephen H. etc. *Financial Management*. New York, John Wiley, 1990.
2. Bhalla, V K. *Financial Management and Policy*. 2nd ed., New Delhi, Anmol, 1998.

3. *Brealey, Richard A. and Myers Stewart C. Principles of Corporate Finance. 5th ed., New Delhi, McGraw Hill, 1996.*
4. *Hampton, John. Financial Decision Making. Englewood Cliffs, New Jersey, Prentice Hall Inc., 1997.*
5. *Van Horne, James C. Financial Management and Policy. 1 Oth ed., New Delhi, Prentice Hall of India, 1997.*